Ceramics sector draws foreign machinery makers

JAGARAN CHAKMA

FOREIGN companies, especially machinery and raw materials suppliers, see huge growth potential in Bangladesh's rapidly rising ceramics sector.

Many of the 98 foreign companies which took part in the just-concluded three-day ceramics exposition at International Convention City Bashundhara told this correspondent about their business potential.

They said Bangladesh achieved quality to compete in the global market thanks to efforts of local entrepreneurs. The sector has been growing at 200 percent on an average for the last five years.

"I could understand that the ceramics sector of Bangladesh has potential when I first came to the country in 2015 to explore business potential," said Jerome Meakin, sales director of Unimak Machine Industry Company of Turkey.

The ceramics sector of Bangladesh is growing very fast and new factories are being set up.

"Though the market size is still small, the future is very good as the purchasing power of the Bangladeshis is increasing," Meakin said.

His company has managed four clients in Bangladesh in the last four years and three are in the pipeline.

Giorgio Renolfi, area sales manager at SAMCI, an Italian sanitary and tableware ceramic machine manufacturer, said his company has been supplying machinery to Bangladesh since early 2000 and has over 20 clients.

"The improvement of the sector is really impressive. As a result, machinery manufacturers have bright future to do business in Bangladesh as ceramics manufacturers will require quality machine and equipment."

Paulo Vigario, sales director at Mota Ceramic Solutions, a Portuguese company, said his company has been exporting china clay and bulk clay and other raw materials to the ceramic sector for more than 15 years.

Around 25 manufacturers import raw materials from Mota Ceramic Solutions and the volume is increasing rapidly.

Vigario said the possibility of exporting finished products to Bangladesh is getting slim as local companies are manufacturing high quality products and exporting tableware.

Sunil Agarwal, managing director of Indian Ceramic House, echoed Vigario and is optimistic about business in near future.

His company has been exporting colour to the ceramic sector for the last few years.

Guangdong Nade New Material Ltd took part in the exposition for the first time but could not manage any client, said Bob Liu, its sales engineer.

But he is optimistic about attracting clients in future as the sector is doing well.

About 20 Chinese machinery manufacturers and design and raw materials exporters took part in the fair.

Currently, there are more than 60 ceramics factories in Bangladesh and over a dozen are in the pipeline, according to the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

The country produces tableware, sanitary ware and tiles. The industry produced more than 25 crore pieces of tableware, nearly 20 crore square metres of tiles, and over 83 lakh pieces of sanitary ware in fiscal 2017-18.

Bangladesh is almost self-sufficient in these products, a development opposite to the scenario in the 1990s.

Local manufacturers cater to 85 percent of the country's demand, while the rest, most comprising high-end ceramic products, is imported from Japan, China and Taiwan, said Irfan Uddin, general secretary of the BCMEA.

JAGARAN CHAKMA

Portuguese businessmen showcase raw materials for ceramics at an exposition at International Convention City Bashundhara in Dhaka on Saturday.

China economy to grow below 6pc over next 5yrs

Central bank adviser says

REUTERS, *Beijing*

CHINA'S potential economic growth will be below 6 percent over the next five years, an adviser to China's central bank said on Saturday.

The economy could grow between 5 percent and 6 percent from 2020 to 2025, Liu Shijin, a policy adviser to the People's Bank of China, said at a conference in Beijing, according to an article he posted on social media.

China's monetary policy is already quite loose, and attempting to stimulate the economy to grow faster than its potential could cause it to fall off a cliff, said Liu.

China's third-quarter economic growth slowed more than expected to 6 percent year-on-year, marking its weakest pace in almost three decades, and at the bottom end of the government's full-year target range of 6.0 percent-6.5 percent.

Despite the growing strains on the economy caused by slowing domestic demand and a trade war with the United States, Beijing remains reluctant to implement major stimulus for fear of heightening financial risks given already high levels of debt.

China central bank governor Yi Gang reiterated in an article published last week that China will not resort to quantitative easing and is committed to maintaining a prudent monetary policy.

Trump to make final call on China tariffs: White House adviser

REUTERS, *Washington*

TOP White House economic adviser Larry Kudlow said on Friday that a Dec. 15 deadline is still in place to impose a new round of US tariffs on Chinese consumer goods, but President Donald Trump likes where trade talks with China are going.

With about a week to go before the deadline amid "intense" negotiations, Kudlow said Trump would make the final decision on the import tariffs, which would hit Chinese-made cellphones, laptop computers, toys and clothing.

"There's no arbitrary deadline here ... but that fact remains December 15 is a very important date with respect to a no-go or go-on tariffs," Kudlow, the director of White House's National Economic Council, told CNBC. "It's going to be totally up to POTUS (the US president). But December 15th is an important date."

China earlier on Friday said it will waive import tariffs for some soybeans and pork shipments from the United States, contributing to a more positive tone in financial market sentiment about the talks.

Kudlow, speaking to reporters at the White House, described the waivers as "good mood music" for the negotiations between the world's two largest economies.

Washington and Beijing are trying to reach agreement on a 'phase one' trade deal that would cool a 17-month trade war that has roiled financial markets, disrupted supply chains and weighed on global economic growth.

China has demanded that some of the existing US tariffs imposed on about $375 billion worth of its exports be removed, in addition to cancellation of the Dec. 15 tariffs on some $156 billion of its remaining exports to the United States.

Trump has demanded that China commit to specific minimum purchases of US agricultural products, among other concessions on intellectual property rights, currency and access to China's financial services markets.

"We've all learned that if he is not satisfied with these talks ... then he would not hesitate to increase tariffs," Kudlow told Bloomberg Television.

Kudlow said the two sides have talked almost daily, but there are currently no plans for in-person talks or a signing ceremony between Trump and Chinese President Xi Jinping.

"None of those decisions have been made ... let's get a deal first and then we'll figure out how, when and where they'll do the signing."

Trump struck an upbeat tone on Thursday even after Chinese officials reiterated their stance that existing tariffs must come off as part of an interim deal to de-escalate the US-China trade war.

Financial markets have been bouncing up and down for weeks on shifts in rhetoric about the trade negotiations. On Friday, the mood was positive, helped by a strong jobs report and the more positive tone from Trump.

At midday, the major US stock indexes were all up around 1 percent, nearing the record highs they touched last week.

Dollar shines after blockbuster US jobs report

REUTERS, *New York*

THE dollar gained on Friday after five straight days of losses, lifted by data showing the US economy created many more jobs than expected in November, backing the Federal Reserve's stance of keeping interest rates on hold after cutting them three times this year.

Gains in the dollar were fairly modest despite the robust jobs number, however. The greenback has been pummeled all week due to a slew of weaker-than-expected data in the US manufacturing and services sectors, with investors coming to grips with the reality that the economy is slowing down.

Friday's jobs report provided a respite from all the pessimism and from the continuing uncertainty over the status of US-China trade negotiations.

Data showed nonfarm payrolls increased by 266,000 jobs last month, with manufacturing recouping all 43,000 positions lost in October. Economists polled by Reuters had forecast payrolls rising by 180,000 jobs.

The dollar still posted its worst weekly percentage loss in more than a month despite Friday's gains.

"No question today's jobs report is strong, but is it strong enough for people to change their views about the economy?" said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York.

"I still think the US economy is weakening and I don't think today's number is going to change people's expectations for Q4 GDP (gross domestic product)," he added.

The New York Fed Staff Nowcast estimate for GDP in the fourth quarter stands at 0.6 percent and 0.7 percent in the first quarter next year, according to the NY Fed website. Poor US data releases earlier reduced the GDP estimate by 0.2 percentage point for Q4 and lowered the expectation for Q1 next year by 0.3 percentage point.

Earlier in the week, US data showed dismal figures on private payrolls, services, manufacturing, and construction spending.

The jobs report reinforces expectations that the Fed will remain on hold at next week's policy meeting, with its outlook on monetary policy seen little changed from the last statement.

REUTERS/FILE

A man poses with dollars at a money exchange in Caracas.

Saudi minister talks Opec+ unity, backs Aramco to soar

REUTERS, *Vienna*

OPEC and its allies would only ease supply curbs and pump more oil once global crude inventories fall and pricing reflects a tighter market, Saudi Arabia's energy minister told Reuters.

Saudi Arabia spearheaded a deal on Friday with Russia and the other so-called Opec+ oil producers to deepen output cuts through the first quarter of 2020.

In his first interview with Reuters since he became energy minister in September, Prince Abdulaziz bin Salman said he expected Opec+ producers to continue cooperating beyond March.

"The jury is still out where will we be in March," he said regarding the level of supply the market will need then.

Opec+ producers pump more than 40 percent of the world's oil and have constrained output since 2017 in an effort to balance rapidly rising output from the United States.

While all oil producers would like to increase output, Saudi Arabia would only do so when it saw global inventories fall, he said. Saudi Arabia would like to see stocks within the range of the last five years and the average of 2010-2014, he added.

"The more we are inside this contour, the better..." he said, adding another indicator would be prompt oil prices moving higher than longer dated ones, known as backwardation, which reflects a tighter market.

He said the steeper the structure was for later months, the better as it would indicate Opec+ was doing a good job in destocking.

The Opec+ cuts agreed on Friday run until March, while some watchers had expected them to last until June or even December 2020. Russia opposed a longer deal which some analysts interpret as a sign it may want to leave the pact soon.

Prince Abdulaziz said that was not the case and cooperation with Russia would continue. He said Opec+ simply wanted to be more flexible in adjusting output and reacting to market needs.

"We as producers all wish for a good room to increase production... With Russia we (Saudi Arabia) are committed to a huge joint cooperation programme (besides oil)," he said.

The minister also stressed the need for producers such as Iraq and Nigeria to improve their compliance with promised cuts.

Even if their compliance did not improve, however, he said Riyadh would not raise output unilaterally but instead would wait for consultations with Opec+ at its next meeting in early March.

"I won't take unilateral measures. I would still consult and review... It will be the group versus those who have not performed."

Brent oil rose 2 percent to more than $64 a barrel on Friday after he said that cuts agreed by OPEC+ could be as much as 2.1 million barrels per day (bpd) including Riyadh continuing to cut 400,000 bpd more than its quota.

He also said that he expected a resumption of production from oilfields jointly operated by Saudi Arabia and Kuwait "very soon."

"But it would not affect both our countries' commitments (with Opec+ cuts)," he said.

The two countries halted output from the Khafji and Wafra oilfields in the so-called Neutral Zone more than three years ago, cutting some 500,000 bpd of supply.

The minister said he believed state-run oil giant Saudi Aramco is worth more its $1.7 trillion (£1.33 trillion) valuation ahead of its initial public offering set for Dec. 11.

"We believe that the value of the company is way higher than $1.7 trillion," he told Reuters, adding Aramco had fallen victim to a wider industry downturn which had dropped its valuation below the $2 trillion that Saudi Crown Prince Mohammed bin Salman had targeted.

"We believe too that once those shares are floating it would hopefully evolve that people (see) we were not wrong in terms of what we think this company is worth."Even with the lower valuation, it is the world's biggest IPO, raising $25.6 billion and topping Alibaba Group's $25 billion listing in 2014.

The IPO involves a stake of 1.5 percent and is aimed at raising funds to help diversify the kingdom away from its reliance on oil and to create jobs for a growing population.

Domestic and regional investors bid for the bulk of the shares and original plans to also list on an international stock exchange were shelved.

"I cannot wait to see the faces of people who missed that opportunity and how they will be chewing their thumbs," the minister said, calling those who invested "friends and family" set to benefit from any future rise in its value.

Saudi Energy Minister Prince Abdulaziz bin Salman Al-Saud.

Nissan may face $22m fine

REUTERS, *Tokyo*

JAPAN'S markets watchdog will likely recommend soon that the financial regulator fine Nissan Motor Co Ltd about 2.4 billion yen ($22 million) over false reporting on its financial statement, public broadcaster NHK reported on Sunday.

Nissan's former Chairman Carlos Ghosn was arrested in Tokyo in November last year over allegations of financial misconduct, including understating his salary by around 9.1 billion yen ($84.71 million) over a period of nearly a decade and temporarily transferring personal financial losses to the books of Nissan, Japan's No. 2 automaker.

Reuters reported in June that Nissan would be fined up to 4 billion yen and it may receive a reduced fine of around 2.4 billion yen if the automaker filed documentation to the Securities and Exchange Surveillance Commission (SESC) before the formal investigation begins, citing a source.

The fine would cover a four-year period through March 2018, the source previously told Reuters.

Nissan and the SESC could not immediately be reached for comment.